

COLE BLEASE GRAHAM [CBG]: This is Tape 14, Side 1, an interview with Governor Robert E. McNair as part of the McNair Oral History Project of the South Carolina Department of Archives and History. Today's date is December 13, 1982. Governor, what is the role of a governor in relating to industry?

ROBERT E. McNAIR [REM]: Well, it's a very important role. With the South going through the period that it has been going through, and South Carolina in particular, the governor is really the industrial seeker. He is the leader and has to be. Starting back with Governor [James F.] Byrnes and running on up until now, the governors have been the real salesmen for South Carolina.

CBG: Is there a plan in mind or a strategy in mind when governors try to sell the state?

REM: Well, the State Development Board is the leader. That is the state agency that devoted its time and effort to economic growth and development, industrial development primarily, and they really set up the schedules and determine when, how, and where we will go out and seek industry. At that time we were into it pretty heavily. Our previous governors had devoted a great deal of their time, and I found it necessary to do likewise. That was one of the main and most important functions I thought the governor could play.

CBG: Where did you look for industry and what types of industry?

REM: Well, we were trying to diversify at that time. We were so heavily textile that we felt we had to get things maybe somewhat related, but that weren't totally dependent on the textile industry and didn't suffer from the same economic problems that affected them so greatly. So we would target what we thought was heavy industry at that time, trying to get into things such as the General Electric and Westinghouse power systems

divisions, various kinds of machinery, and also trying to get industry to look at other parts of the state than those they'd previously looked at.

We were fortunate at that time in having what we thought was the best state development program in the country headed by Walter Harper, whom we'd gotten from North Carolina. Walter, I suppose, was one of the most recognized people in the country and one of the best, one of the most respected. We relied pretty heavily on him to sort of do the planning and to determine where and what we were looking for and where we would go. We were also trying to get into some of the offshoots from the space industry, and thus we spent time in California looking for industry there, in the Los Angeles area, particularly in the San Diego area. We tried to get some of the byproducts industry from the aerospace program also because we felt then that was sort of the growth of the future.

CBG: Was there an effort to get several state agencies working with the Development Board in this area, such as, for example, the Technical Education Centers?

REM: Yes. TEC and the Development Board had to work together because TEC was the training center, the agency that was responsible for training people. Something I think most people have overlooked through the years on technical education was what we called the Special Schools Division. That was the key to the industrial growth during that period more than the technical centers that we were building. The Special Schools program really had no major staff or no designed curriculum. When we'd find a new industry that required a sophisticated type of employee or sophisticated training, TEC would come in then and work with them and set up a specialized training program for them in the immediate area they were going to locate in, and they would work with them in recruiting and in training.

That made it possible for us to get a lot of investments that we wouldn't have otherwise gotten.

The tax commission was important because most industry wanted to know about tax implications and the tax impact, what credits they got for various types of programs, what the deferred tax program was, how we handled productive machinery and things of that nature against the various normal taxes, and how the sales tax would impact also. The Tax Commission really was very important then. It did and still works closely with the Development Board advising and giving advanced rulings today, which they didn't do at that time.

CBG: Were state legislators involved at all?

REM: Yes, they were. You tried to keep the industrial program as non-political as you could, really, because industry knew what they wanted and where they wanted to go. Most of the time, they had done enough to determine that to some extent, and, if you got too active involvement, you sort of politicized the program. We had good cooperation, though every legislator wanted industry. They cooperated, and they were helpful.

Normally when we got down to the point where it was one area that they were looking at, they would come in and were always brought in to be there, to meet the people, to let them meet them, and to let them help very much in assuring them that this was a good place to be, and that they weren't only going to be encouraged to come in and invest but they would have fair treatment after that, and that, as we say, we wouldn't woo you in and then forget you.

CBG: What about the . . .

REM: They also took trips. We used a number of them in our travels as we went out because we felt it was good to let the business community see the

type of people who served in the General Assembly. They were right helpful in that regard, too.

CBG: What about community officials like chambers of commerce?

REM: Well, they, yes, chambers of commerce were sort of the development arm for some communities. Some had industrial development boards and commissions, and many of them only had a chamber of commerce, and some of them had absolutely nothing. Those depended largely on the state representatives and senators, and working through them was the county commission. There was no organized, statewide group that worked in this regard. So you had the chamber, you had the industrial groups, you had business leaders quite often in communities that would take an active role, and we'd use them.

CBG: Does any individual come to mind in that category?

REM: Oh, gosh, there were people like Charlie Daniel who had his own personal special interest through Daniel Construction Company, but was an individual businessman who worked extensively with it. We had others who had business connections like Roger Milliken, who sat on several corporate boards and was very active and interested in helping us get investments. When Westinghouse was looking around or G.E., those two in particular, somebody like that was pretty helpful because he would know the top officials and could assure them that South Carolina was a good place. We had people in the Charleston area like Hugh Lane, Joe Riley, particularly, who were very active in working with us and, you know, in selling that area and that community. I suppose if I went through each county you'd find people who were really aggressive and active. Allendale County, which was one of the tough ones to really do something for because it was small, it didn't have a large number of people, and no real industrial background-- Charlie Lafitte, the local banker traveled with us all over the world,

really at his own expense, trying to help the lowcountry and particularly that section of South Carolina.

CBG: Did you do much traveling abroad to find foreign industry to bring back into South Carolina?

REM: We did, and it started during that period. You know, we were exporting so much stuff, and then we started with the import problems when everybody was importing into the American market. The U.S. Department of Commerce came up with what they called reverse investment programs, trying to get foreign companies to invest in America. If you're going to sell in the market, invest and build some of your production facilities. We were fortunate enough because, I suppose, of our aggressive program and the fact that we'd already attracted some major European companies here, to be selected to sort of do the pioneer reverse investment mission to Europe. That was a cooperative program put on by the State Department, the U. S. Department of Commerce, and South Carolina in which we traveled over Europe under their auspices, working with them, selling America first, but with full authority to sell South Carolina. That was an extremely successful trip, really, because there we were able to see the top leaders, the top leadership. We'd go into, wherever, into Frankfurt, the ambassador would host a function and bring in the top leadership and some of the related governmental people from over there and give us an opportunity to talk to them about investing in this country and what South Carolina had to offer, and that happened all over that part of the world.

CBG: Was it from a trip like this that the contact with BASF was made?

REM: Well, yes. BASF was interesting because they were the giant German chemical company over there that was larger than DuPont or anything in the world. World War II came along, and after the war we made them split it up into three major companies. We had two of the others through Dow Chemicals

joint venture with Badische, which was one of the big three. We were able to get a major fiber plant in Anderson called Dow-Badische, and then we began to work on the others. Hertz we were able to bring into Charleston with a major development, and BASF then became interested. We worked with them, and it was on that trip that we visited with them, talked with them, saw all of their top officials, and also saw their people who were coming to Charleston at the same time. From that effort, there came the interest in BASF down in the lowcountry. That was probably the best planned effort that we had had because we were bringing them where we wanted them to go. We were trying to do something for the lower part of South Carolina, particularly the Beaufort-Jasper area. We had no industry there. We had, you know, the exclusive Hilton Head development, but we also had extreme poverty. That had been written up in all the world magazines, and everybody that had run for national office had ended up--Senator [Ernest F.] Hollings and others were writing books about the worms and the poverty.

CBG: The famous Dr. Gatch.

REM: And Dr. Gatch had done his study and was getting all the national publicity. So we really set out to bring what we thought was a base industry that would expand over a long period of time and in our judgment sort of revolutionize that part of the state. BASF was attracted to the idea and thought well of it and was a type of company that had sort of pioneered itself in waste disposal and all those sort of things. They had in Germany an extremely good image for environmental programs, what all they'd done over there, probably more advanced than anybody else in the world. I think we totally overlooked the attitude of Hilton Head and the people on Hilton Head. We hadn't really looked at Hilton Head close enough to find that there were a lot of retired executives down there who had left all of that from where they were and come down and wanted that quiet,

peaceful island and didn't want anybody to disturb it. We had overlooked the attitude of people about the impact of something like this on the seafood, shrimp and all of this, and hadn't done enough homework. BASF also made quite a thing, and they wanted considerable publicity on their announcement that they were coming because they, like everybody else, were sensitive to the attitude in this country about them importing so much of their product here. We all flew over there, took the congressional delegation and a lot of other people to visit with them for the big announcement, and when it was made, unfortunately, instead of talking of a \$100 million installation that they'd planned, they talked of long range plans, you know, I think something like a half-billion dollar investment, which at that time was unheard of. That frightened people, really, and frightened the folks on Hilton Head.

CBG: Were there specific individuals or specific groups that came out?

REM: Yes, the opposition really started with a retired executive on the island who had worked for a firm or company that BASF had acquired up in New Jersey. Through the course of the acquisition and shakedown, they no longer needed his services and he took his retirement and came to Hilton Head. He just didn't like BASF at all.

CBG: The ghost of years past.

REM: And sort of took off on them. I think the company they had bought had all kinds of problems. They were in the process of cleaning it up, as we understood it, but it was really one of the old-time firms up there that had sort of dumped its waste. He had known it in that fashion, and BASF caught it when they purchased it. He really started the thing and really got them with a very bad image pretty early. Then Charles Frazier got involved because of the location of it on Victoria Bluff and the fact that he felt it could have an influence and an impact on Hilton Head Island. He

was able to get some of the shrimping people, including a black fellow whom they had all helped form a shrimping company down there and buy a boat or two named Barnwell, interested in it, and from there it mushroomed into just a giant, uncontrollable thing. We look back and say it was the fact that none of us anticipated it. We hadn't been exposed to something like that before. You recall also at that point and time Marshall Field, young Marshall Field, who was quite an environmentalist--his mother owned a plantation down near Beaufort not very far from this area. He got involved, and he was the one that really marshaled the national resources that were able to mount such an offensive effort to keep it out. I think if you put Marshall Field and Charles Frazier and then the type of people that were on Hilton Head Island and what they could do to get, you know, the Audubon and Sierra and everybody else in, this became, then, the first big national effort. We, unfortunately, were the guinea pig for all these so-called environmental, ecological groups, and all the studies that we would make couldn't get around all of that. We, at that time, had Claire Guess, who'd come in with a national reputation. I immediately put together an interagency group and panel working with the federal authorities with Claire as the coordinating head of it, hoping that he, working with all of these groups, could do studies, and if the studies were positive and all right, that we'd counteract some of that. We never were able to. There were many reasons that BASF decided to pull away. One was that they really got some international harm from it. It got to be such a big thing because they felt their own good name and image and reputation had been tarnished somewhat because they were so assaulted on the thing. It upset them tremendously. The officials who made the decision suffered some internally in the company. Their shareholders got upset for two reasons: one is that they were going to spend all of that money in this

country, and those jobs weren't going to be in Germany. So they got some shareholder resistance over there. They also got some shareholder criticism for the criticism they were getting over here. About that time the economy turned some, and they began to feel that, and their profit picture wasn't as good as it was. So for all of those reasons they decided to withdraw.

CBG: Was this our first effort to try to get one of those heavy class industries? I'm not quite sure what the Department of Commerce classification is.

REM: This was the first effort. You would classify them, I suppose, as an industry that was coming in and ending up with, I suppose the appropriate phrase is a giant complex. They, in Europe, built complexes. They didn't go out and build one part of a chemical complex here and then go somewhere else and build another. They believed in integrating their industry into one rather large complex. They showed us the facilities over there, BASF, which is oh, gosh, thirty, forty thousand people working in that great big complex that developed there. The one in Cologne is somewhat similar to that, and they talked of that rather quietly at Bushy Park in Charleston similar to what we were talking about at Victoria Bluff in Beaufort.

Theirs has developed quietly with no publicity, no fanfare, no announcements at all, into a small complex, but it's never developed into what they had originally planned. This was the first effort at something like that. It really interested us and fascinated us because it was the kind of thing we were looking for, it was the area that we wanted it, and it all was so perfect for us and so ideal, we thought, that we were shocked with the opposition, and I think we reacted like that. You know we sort of reacted in a way that, if we had to do it over again, we probably would not have. We would have done all of the preliminary studies, we

would have taken all those people in, we would have conditioned them for it originally. Hindsight is we would have run into the same problem, same opposition, sign of the times. You know, it had to happen. Somebody had to be the guinea pig, and that was it. So you know, if you look at it and say we would have done it all differently, I think we would have still experienced the same problems. Charles Frazier and those said, "If you'll move it to down on the Savannah River, we will withdraw our opposition to it. That would be down on the area where there is considerable development now, where the big degassification facility was put in at the mouth of the river.

CBG: None of those alternative sites could have been engineered at the time.

REM: They possibly could have. Yes, that one probably could have. They also looked at a site in Charleston on the east bank of the Wando River. We went so far as to give them those options between Beaufort, which we had targeted, the Beaufort area.

CBG: That was the undeveloped area.

REM: That was the area we wanted. We really didn't want to move it out of there because that's what we were trying to do, was to put it there. So we also had them looking at Charleston, at the east bank of the Wando River. You recall there was so much interest there that we got authorization through the legislature for a bond issue to put the railroad across the river. So if they opted to go over there, they would have rail access, at the same time discouraging them really from going there. We were trying to persuade them not to go in that area because we had so much else coming in there. Not that we didn't want to develop that area, but we felt we could put other things there, and that this was so perfect for the Beaufort area,

for that lowcountry area that we discouraged them from going into any of these other places.

CBG: What happened as you took industry into other communities across the state?

REM: This was the only problem we ever ran into until the Union Camp situation recently. I don't recall us running into anything similar to BASF. Amoco Chemicals came into Charleston shortly thereafter, on into Berkeley County across the river from Charleston, and was warmly received. They acquired 7000 acres of land and have made it an industrial park and have encouraged others with full support, full encouragement from everybody, government and the business community.

CBG: Do you think, as you evaluate your achievements in this area, that there was a broad base of industrial development across the state?

REM: Yes, and, you know, you have to say a lot of it is luck because industry is difficult to place where they don't want to go, particularly your large ones. You find that they've already done their studies through consulting firms that you never heard of and you really didn't know about, and when you get to them, they have narrowed their choices down to one or two sites in several states. So you don't have the opportunity of getting them early and taking them and trying to locate them where you would like for them to go. You have to admit they do a good job because they know their market, they know what they're looking for, they determine whether they want the Port Authority, railroads, highways, you know, and all of these various things. We did have success during that time in spreading industry throughout the state, and that was one of real objectives of the Development Board, working with the Technical Education program. I recall one year, as you say, was the dream year when we either had a new investment of one kind or the other, expansion, or a new location, in every

county in the state. Not all of them were major, but it was that, and that was what you worked for, was to try to spread the base and broaden it to get investment throughout South Carolina.

CBG: Another type of economic activity which is a part of the economy as demonstrated by studies which we've already discussed is tourism activity. What role did your office play in organizing and developing tourism?

REM: Well, again, we worked closely because we felt like this was an untapped resource in the state. We had, you know, Myrtle Beach and Charleston and all these places, and, as I think we've talked about earlier, we had a study made by one of the outstanding national firms to look at our tourist potential and sort of what we were doing about it and what we could and should be doing. They told us we had a real opportunity, but we had to do some things to take advantage of it. South of the Border was the largest single tourist attraction in the state and that showed you what you could do with promotion. I mean it illustrated the fact.

Brookgreen Gardens was a tremendous resource, but not everybody knew it was here. Even today it's one of the best kept secrets we've got, I suppose. Charleston we had talked about and they had talked about being such a real tourist attraction. We discovered more people went to Brookgreen Gardens than came to Charleston, and the reason, we discovered, was that Charleston had a lot of historic places, but there wasn't a public facility on the beaches, and there wasn't a public golf course in Charleston County. All you could do is come and see history. There were a lot of husbands who would look at it for a little while, and then they wanted to play golf. The children would like to be at the beaches or something like that, and there wasn't that opportunity. So we weren't getting them. The state park system, which really was, as we've talked about before, forests rather than parks--I mean, it was run by the Forestry Commission, and they weren't real

interested in opening it up and utilizing them for the type of opportunities that they could offer.

END OF SIDE ONE

SIDE TWO

CBG: This is Tape 14, Side 2, an interview with Governor Robert E. McNair as part of the McNair Oral History Project of the South Carolina Department of Archives and History. Today's date is December 13, 1982. Governor in thinking of tourism and developing it, was there any consideration or concern about possible conflict with industrial development? That is, did you see these two going together?

REM: Well, we found early that having tourism in the industrial Development Board wasn't the place for it. There was a conflict. There was a conflict in approach. You'd go out for tourism with the so-called chamber of commerce approach. You'd go looking for industry with a more business-type approach, an industrial-type approach. We felt we had to do something about it if we were going to really take advantage of it, and that's where we moved tourism out of the Development Board as the base for forming the Parks, Recreation, and Tourism program. We pulled the parks system out, pulled the outdoor recreation program out of Wildlife because we wanted the BOR [Bureau of Outdoor Recreation] funds to support development of recreation in the state.

So with all of that, we moved into what we had seen some others doing, really, with the welcome centers at the entry points into the state because we discovered, again, from this study that everybody who went south went through South Carolina. We had millions of people crossing the Santee-Cooper lakes because there was only one bridge, one way going across there going south, and they weren't doing more than stopping for a cup of

coffee or sometimes to have lunch in South Carolina. We felt we had to have several approaches for getting people to know about South Carolina. One was through the advertising, one was through visitation like we did industry. So we started working on tourism just like we did industry, targeting the areas that we thought we would get more people from.

We discovered, for instance, that we had the closest beaches to Ohio, and we discovered the people from Ohio like to fish. We had the lakes, and we had the beaches, and all we had to do was let them know they were there. Canada became a very fertile place for us, and I don't think any of us had thought about Canada until we got into the studies and found that the Canadians all went to Florida. We determined that, if we could begin to turn them around in South Carolina, they could add about three days to their vacation time. So we targeted that.

They had a big national travel show in Canada, sort of an exposition, and we put a lot of effort in that. I went up myself on those trips and took groups from South Carolina at their own expense. We'd take a chartered planeload of people from all the interested areas, Charleston, Myrtle Beach, the mountain area, the lake area. We'd go up and literally make a big impression by that kind of visit to Canada. We'd go into the various provinces of Canada under their auspices and visit and encourage them to come and stop and stay in South Carolina. We started the Canadian Days at Myrtle Beach where we went so far as to get Canadian money, and we would bring down Canadian stars. We even had the big heavyweight fighter [George Chuvalo], you recall, from Canada to fight an exposition at the Myrtle Beach Civic Center to attract attention, and that became a big thing. We also discovered that the Canadians would come before our season started at Easter. They would come early. The temperature of the water

didn't bother them, and the chill of the morning air didn't bother them, so they started, and that became a very interesting experiment.

CBG: Did you get a warm reception on these tourism missions?

REM: Extremely warm reception. We made visits to various other similar types of things that people had in various places, the National Campers and Hikers Association. You know, we really hadn't heard much about it. They come and bring thousands of people and set up an instant city. So Josephine [Mrs. McNair] got active in all of this, and she would go to Canada when I couldn't go or she'd go and stay, the full-time, and I'd fly up for a day or two at the main events and visit for those. She'd go to the National Campers and Hikers conventions for us and invite them to South Carolina. She even got herself in deep trouble once when she said. "If you'll come to South Carolina, I'll cook some grits for you."

CBG: (chuckles)

REM: When they came, that was their request, and we had quite a bit of fun over the fact she had to go down to Eutaw Springs where they were down there and cook for a day and a night a great big washpot full of grits and serve them all a spoonful of grits, about 30,000 people, I think. But this all paid with real dividends, and with the state effort and the effort that the communities were able to make we were able to make an impact. So that turned out to be a very valuable effort. We went to Europe. You know, we started the beginnings of "Visit America" and "Visit the South where it all started." We tried to recapture some of the history of South Carolina, too, our place in history. We had sort of defaulted to Virginia and New Jersey and places like that, and with the Tricentennial which, you know, I'm not sure turned out like any of us would like for it to, but it got us a lot of attention because we got a lot of attention focused on Charleston. We got a lot of visitors coming who got the national publicity and that's

what we wanted. The Colonial Cup steeplechase race in Camden, which is still being run, was part of that Tricentennial and the Bicentennial which came along. So we took advantage of all of those things to attract attention and to tell people a little more about South Carolina. Nobody knew us. We said we were the undiscovered paradise. We were tired of people going through South Carolina on their way to Florida, and we wanted to stop them all.

CBG: Was the legislature receptive to your reorganization?

REM: They were very receptive. We only had one problem, the name of the commission. When we wanted to form the commission, I called it Parks, Recreation, and Tourism, simply putting the letters in the alphabet in order. We had long and heated debates and discussions and conferences and speeches on the floor because tourism ought to come first. We were saying, "It isn't going to be the tourism commission. It's going to be PRT anyway, so why battle over something like this? Charley Hodges, a group from Myrtle Beach, Lloyd Bell, whose now dead, was really the fellow who was a strong supporter of the creation of the commission and Wilton Graves from Hilton Head, folks like that who'd taken a strong--now [James] Jimmy Waddell, well, Bradley Morrah, of course, because of his interest in the historic side. We were able to bring all of those people together. We had strong support for it.

CBG: Did the Tricentennial Commission work with Parks, Recreation, and Tourism, or were these separate?

REM: Well, it was separate because we needed to focus on that, and we set up a separate commission, but we set it up where it only served during that time and would then go out of existence. But they worked closely together, yes, very closely. The Parks, Recreation, and Tourism Commission provided

most of the staff work for them. Tricentennial staff was limited, and small.

CBG: What was the first order of business for the new commission? Did they, true to its name, set out to be more interested in parks than tourism initially?

REM: No, no, they set out to be more interested in tourism, which is what we intended and what everybody understood. The name had nothing to do with the emphasis. They set out for that first, and we tried to get a commission of people with varied backgrounds, but with strong interest, and that commission had that. If you'll look at it, we started with Dwight Holder, who was the chairman of it, who was a promoter. Dwight had promoted all his life and became a multimillionaire building perpetual care cemeteries. I remember laughing and saying anybody who could do that can sure sell the beaches and the lakes and the historic sites of South Carolina. It turned out to be tremendously successful, you know, under his leadership. Bill Close from Springs Mills, noted for their unique advertising. Springs had a little thing extra, and they always came up with the thing that attracted, and Bill Close had declined to serve on numerous boards and commissions that I had tried to get him to serve on. He just didn't have time and wouldn't. I'll never forget his response to this, "This attracts me. I'll come down and talk to you." He's one of these serious fellows whom you had to talk to in depth about what you were going to try to accomplish, and when we got through, he said, "I'll do it. This one I like." Mr. Edwin Burroughs from Myrtle Beach, the Burroughs family that really started Myrtle Beach, really developed Myrtle Beach and still is developing it, getting them interested and getting him involved directly at the state level. We knew we had to have Myrtle Beach involvement and support, but they were a little leery. They liked it, they

wanted it, but there were questions as to what their role was going to be. James McNair, the banker from Aiken, brought some interest from that kind of people into it. Just about everybody on the commission was selected for a reason, not just that he was a good fellow and a good friend and a good supporter, but he was somebody who had really represented something we thought brought some strength to the commission.

Then Bob Hickman who had helped conceive the idea and who had been the staff member who had coordinated all the studies and knew precisely what we were trying to accomplish, was just an ideal first director of it. He took it, took the concept, took the whole plan and moved right forward into the implementation of it. We even had Fred Brinkman, who was Mr. Tourism at Myrtle Beach and that had left to head one of the national highway associations, the Highway 17 Association. We lured him back to be Bob's number two man. We felt we needed a Hickman out front and a Brinkman who was a professional in this field as the number two man, and they turned out to be an excellent team, and then the staff grew from there. But you know, the whole program turned out to be timely, and, again looking back, that's one I don't know of anything we would have done differently.

CBG: So the legislature was not reluctant to . . .

REM: Not reluctant to . . .

CBG: . . . fund.

REM: . . . fund it at all. We had the studies to show what a dollar meant. We looked at the impact of tourism, and that's what we discovered, to the surprise of most of us, that Myrtle Beach, not Greenville, you know, industrial Greenville, had the highest per capita income in the state. We said, "My gosh, here's a six-month business, an area and the community, with the highest per capita income. That tells you what we can do if we can increase that season by a month or if we can begin to make Myrtle

Beach a year-around rather than a summer vacation place and promote the golf packages and all." The tourism dollar was about the same dollar that agriculture did for the state, and the potential was tremendous.

CBG: Were there any critics of the effort, that tourism, for example, was one of the early industries to go in an economic downturn.

REM: Well, you had some of that, but, you know, we had the history, we had the track record, and we could show Myrtle Beach year after year after year after year . . .

CBG: Even in hard times.

REM: . . . good times and hard times, Myrtle Beach is a family beach.

It's not a Hilton Head, and we felt that Myrtle Beach and the Grand Strand area is always going to get its people in good times and bad times.

Tobacco farming can be bad, but the tobacco farmer is going to take his family to Myrtle Beach for a week, and people are just going to travel. We felt, too, that with what was happening in industry, the shorter work week and all of that, there were going to be more people traveling for longer periods of time than had been in the past. That's when the trend was coming toward shortening the work week, and allowing more people more time to travel. We felt, too, with the wage scale going up like it was that more and more people from the automotive industry centers would be traveling south more and more because they could afford to.

CBG: Did the development or the redevelopment of the parks match the success of recreation and tourism?

REM: Well, if you'd looked at where the parks were and where they are, probably you'd say yes, but not completely. Our park system still isn't what it ought to be. We were saying, you know, that what we had to do was not only help the tourist. We had to do something for the people instate, and that's where I visualized the parks being a real place for South

Carolina people. We had to provide, you know, places for them for recreation and for hiking and bike trails and horseback riding and all of that sort of thing. I saw the parks more for us than I did for the tourist because the tourists had parks in their own states, and they were looking more for the beaches and the lakes and the historic sites and all of that. So we set out to expand the park system and to put some facilities in the parks so that people could enjoy them and use them. We had the beaches all the time, and we may want go to the mountains, to the park up there. Everything they've done, I think, has turned out to be a success, the cabins at Santee and the cabins up in the mountain parks and improving the lakes. All of this has really turned out to be a successful venture.

CBG: Was there difficulty in financing the park improvements?

REM: Yes, that was the problem because we felt like, if we tried to make them self-supporting initially, that people wouldn't use them. Our folks are just not used to paying to use public property, and the parks are publicly owned, so even a quarter--but some of the facilities you could charge for in the park, but we tried to stay away from charging people to go into the parks and to utilize the open areas, and thus it was difficult to get the funds. We had included them in the first capital improvement program through a bond issue to get some money to open them up and hopefully make them attractive enough where they could then begin to charge for those facilities and become self-supporting. We thought the parks system ought to pretty well support itself.

CBG: Was the program in place in your administration long enough to evaluate the success of the park program at all, or did you see this as something that . . .

REM: This was long-range.

CBG: Long-range.

REM: Long-range. It was impossible to build the facilities and get it going. You know we could put some cabins down at Santee and some cabins in others, but most of it was a long-range type program, like Hickory Knob, which is one of the real planned parks. We worked with the federal government to get some of that property around the lakes up there. We did it for several reasons. McCormick was one of the three most undeveloped counties in the state. We felt that, you know, that was equal to an industry. That would provide the kinds of things they wanted up there, the kind of people, the kind of jobs, the kind of impact, and we worked to establish that. I think we've talked about [Robert L.] Bob Alexander. That really should be the Bob Alexander memorial because he was able to get all of those monies from EDA [Economic Development Administration] as a grant to develop that because of the low economic base in McCormick County and because it was sort of a demonstration-type approach that I think has worked well. I've never seen it. That showed, you know, as I say, those things were planned and programmed and provided for but all completed later. Unfortunately, I don't think I've ever been in but one state park, and I've never seen Hickory Knob.

CBG: In all of this kind of development, there was another area of activity going on and that's the interstate highway system, which was perhaps at its peak of development during your administration.

REM: Yes, it was. It started out, as we've said before, as a national defense highway system planned under the leadership, I believe, of General Lucius Clay after World War II when we wanted something like the autobahn in the event of a national emergency. If we ever had a real war, we could close it off to public use and move people around, and then it was dusted off when we got into a slow time in the economy, and President [Lyndon B.] Johnson and others wanted to accelerate its development and provide jobs

and really to move the highway system along. So we were confronted with that.

We felt things were hitting us, sort of one working against the other. We were trying to get people to stay in South Carolina at the same time the federal government was rushing up construction of the interstate highway system, which hurried them through. So we had to really get aggressive, and we set out to put the welcome centers on the interstate highways first to try to slow people down coming in and coming through and then to try to turn those into an asset rather than a liability. They really were going to have a terrible impact on South Carolina. We'd built so much along Routes 17, 301, the main highways going to Florida, all the motels and restaurants and investments that people had. So we began then to try to figure, in working with the PRT Commission, on how we could plan better and take advantage of those highways better.

We also determined that I-95 was the one that we had to work the hardest on and slow down, that we couldn't afford to see I-95 completed so quickly. We had to give people an opportunity to recoup their investment, millions of dollars along 301 and 17. This was going to drain off all the travelers, and it went through no where. If you look at I-95, it entered the state at South of the Border, and it left us at Savannah. So other than South of the Border, it bypassed everything. We did discover the Santee lakes, where it had to cross.

The one thing we never were able to do was to develop a giant theme park at the Santee-Cooper lakes. We had everybody, 20th Century Fox's people in, the Disney people in. We almost had Disney committed to a satellite theme park, as a satellite to Disney World at one time working with Bubba Clark, Craig Wall, with the Liberty people, who own thousands of acres of land right around it. We had one of the big TV stars, Jackie

Gleason. He got into that business, and we had him and his group close to putting in a theme park once. Then we tried Arthur Smith even. We tried to get Arthur to come in and let us build a big facility and let him do everything from there because we felt that that would attract the people around the lake, fishing and things of that nature. We did get him to do a lot of promotion, and that helped, but we felt that we had to do something with the interstate highway system. We had to plan better, we had to study the economic impact and determine how best we could protect our own interests and our own investments.

CBG: Were you able to stage the building and development of the highways so as to at least cushion some of the negative impact on citizens along the old roads, for example, by leaving a stretch unopened for awhile?

REM: Well, yes. I-95 was one we had to do that with. We left stretches undeveloped. People in the area from South of the Border down to Santee Lakes progressed pretty rapidly, and we wanted to get that one open. Then, from there on down was where we had tremendous investment, Orangeburg, Bamberg, Allendale, all through there, that was their lifeblood. I mean, really, it had become bigger than agriculture in those areas, and mostly local people who had their investments, you know, millions of dollars. So we began to leave gaps in it, and we did leave a gap in I-95 below Orangeburg on down through that area. That was the last completed and gave everybody an opportunity to recoup their investments and to plan a little better.

CBG: Do you think that worked? Some of these places look awful deserted.

REM: Well, but it was a lot better to have that than it was to have let that road be completed so rapidly and then to have lost everything they had financially. Financially most of them did recover. Most of them, you know, were able to pay the mortgages and . . .

CBG: Plan their way out.

REM: . . . plan their way out of where they were. It's unfortunate that they didn't plan better. It's unfortunate that they didn't make some kinds of plans for a different use for those facilities. We talked with some of them about, you know, a nursing home, a place for the aged. How nice it would be to take a well-planned Holiday Inn, for instance, and convert it into a place for the elderly. They had wonderful facilities, good accommodations, they had good restaurants and all of that sort of thing, and we thought that was one use they could have made. We thought, in some of the areas, that they could, you know, with all the hunting and fishing that goes on, if somebody was innovative enough to tie in with some of these developing preserve areas and the fishing combinations, that they could utilize them for that and provide particularly--like Myrtle Beach developed a golf weekend--they could develop the hunting weekends and the hunting seasons and all. A few of them have. If you down to Ridgeland, for instance, during the hunting season or at Hardeeville--I was down there not long ago. There were places just full of folks who were hunting in the area, probably spending several days over a weekend.

CBG: Did South of the Border give a special problem?

REM: South of the Border's biggest problem was where I-95 was coming through and access to it. That became quite a political thing because it was South of the Border and because Alan Schafer was involved and because he had been on the Highway Commission. There was considerable criticism about special favors and all of that. If you looked at South of the Border as we'd looked at it in the studies, being the single largest tourist attraction, the investment there, the number of jobs, and the fact that he was then planning to build a \$10 million expansion providing about 300 more jobs right in that area if he could get access, it wasn't really, as far as

we were concerned, a difficult business decision to make, to determine that they ought to have good access to it. Unfortunately, it was in such a place that it took the cooperation of two states. The interchanges were on the state line. So North Carolina and South Carolina had to work together, and it was difficult because North Carolina didn't want to use its money to build a big loop interchange to solely benefit an investment that was in South Carolina. It was a combination of problems, and the political problem compounded it. We took the position openly with our own highway department and all that South of the Border was a very valuable thing for us, provided more jobs for the dollars invested for the kinds of people that we needed to find jobs for than a major industry would have provided, and if a major industry had wanted to come in an area like that, we would have built it for them to give them access. So that was one that was difficult. Johnny McMillan, who was then the congressman, got most of the blame when he should have gotten most of the credit for helping work it out. We ourselves, with the chief highway commissioner, visited the Secretary of Transportation, [John] Volpe, and went over the plans, and we were able to get North Carolina to join with us in that and to jointly solve the problem by putting in an adequate interchange. Originally, it looked like they were trying to do everything they could to keep people from getting in because the interchanges were going to be located in such a way that you'd have to know it was there and only if you knew it was there would you get off and get in, instead of being able to see it and pull off on an interchange. You know, most family tourists in that day and time didn't plan that far ahead and didn't plan that well to know where they were going to eat lunch. Most of them didn't know where they were going to spend the night or have an idea where they were going to spend the night.

END OF TAPE

ROBERT E. McNAIR

1/11/14

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